

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2005
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-17-06

**Franklin Parish Police Jury
Winnsboro, Louisiana**

**Primary Government Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2005
With Supplemental Information Schedules**

C O N T E N T S

	<u>Statement</u>	<u>Page</u>
Required Supplemental Information (Part I) Management's Discussion and Analysis		4
Independent Auditor's Report		8

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Assets	A	11
Statement of Activities	B	12

Fund Financial Statements - Governmental Funds:

Balance Sheet	C	13
Statement of Revenues, Expenditures, and Changes in Fund Balances	D	15

Notes to the Financial Statements		17
-----------------------------------	--	----

	<u>Schedule</u>	<u>Page</u>
Required Supplemental Information (Part II) Budget Comparison Schedules - Major Funds	1	34

Other Supplemental Schedules

Non-Major Governmental Funds:

Special Revenue Funds:

Combining Balance Sheet	2	41
-------------------------	---	----

Franklin Parish Police Jury
Winnsboro, Louisiana
Table of Contents (Contd.)

	<u>Schedule</u>	<u>Page</u>
<u>Other Supplemental Schedules (Contd.)</u>		
Combining Schedule of Revenues, Expenditures and Changes In Fund Balances	3	42
Special Revenue Funds -Maintenance Funds:		
Combining Balance Sheet	4	43
Combining Schedule of Revenues, Expenditures and Changes In Fund Balances	5	44
Special Revenue Funds -Fire District Funds:		
Combining Balance Sheet	6	45
Combining Schedule of Revenues, Expenditures and Changes In Fund Balances	7	46
Schedule of Compensation Paid Elected Officials	8	48
Schedule of Expenditures of Federal Awards	9	49
<u>Other Reports</u>		
Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance <i>Government Auditing Standards</i>		52
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		54
Schedule of Findings and Questioned Costs	10	56
Schedule of Prior Audit Findings	11	58

Required Supplemental Information (Part I)
Management's Discussion and Analysis

Franklin Parish Police Jury
Winnsboro, Louisiana
Management's Discussion and Analysis
December 31, 2005
(Unaudited)

As management of the Franklin Parish Police Jury, we offer readers of the police jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2005. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Franklin Parish Police Jury's basic financial statements. The police jury's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Franklin Parish Police Jury's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Franklin Parish Police Jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the police jury is improving or deteriorating.

The statement of activities presents information showing how the police jury's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but not taken annual leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Franklin Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the current funds of the police jury are included in one category - governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of

the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Franklin Parish Police Jury maintains 18 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge, Drainage Maintenance, Parish Equipment, Road Equipment and Salary Adjustment, Sales Tax, Community Development Block Grant and Workforce Investment Act special revenue funds, which are considered to be a major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

Franklin Parish Police Jury adopts an annual appropriated budget for the General Fund and all special revenue funds. Budgetary comparison schedules are provided in the Required Supplemental Information (Part II) for the major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplemental information concerning the Franklin Parish Police Jury. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information section.

Government-Wide Financial Analysis As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, assets of the Franklin Parish Police Jury exceeded liabilities by \$24,974,834. Of those net assets, \$20,281,415 represents the police jury's investment in capital assets net of accumulated depreciation. These assets are not available for future spending. The remaining net assets are made up of bank balances and receivables.

Statement of Net Assets		
Assets	<u>2004</u>	<u>2005</u>
Cash and cash equivalents	\$3,063,980	\$3,270,166
Receivables	2,375,330	2,275,122
Capital assets (net)	17,601,537	20,281,415
Total Assets	<u>\$23,040,847</u>	<u>\$25,826,703</u>
Liabilities		
Accounts payable	\$264,307	\$425,928
Salaries payable	31,751	30,335

Payroll withholding payable	\$60,505	\$60,260
Compensated absences payable	63,990	73,871
Due to others		10,000
Deferred revenues:		
Protest taxes	138,042	240,262
Grant	27,764	11,213
Total Liabilities	<u>\$586,359</u>	<u>\$851,869</u>
Net Assets		
Invested in capital assets, net of related debt	\$17,601,537	\$20,281,415
Unrestricted	<u>4,852,951</u>	<u>4,693,419</u>
Total Net Assets	<u>\$22,454,488</u>	<u>\$24,974,834</u>

Financial Analysis of the Government's Funds Franklin Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term revenue, expenditures, and balances of expendable resources. This information is used in assessing the financing requirements of the police jury. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2005, combined governmental fund balances of \$4,767,290 showed a decrease of \$149,651 over December 31, 2004. The General Fund's balance of \$416,491 showed a decrease of \$107,217 from the 2004 balance of \$523,708. This decrease was due primarily to the increase of transfers to other funds for judicial and public works functions and decreased revenue in Severance Taxes.

Budgetary Highlights

Differences between the bottom line of the original budgets and the final budgets were relatively small. Adjustments were made in some funds, mostly due to unexpected increases or decreases in spending based on prior year numbers.

GENERAL FUND - Revenues regarding Severance Taxes were adjusted, as less was received than originally expected. Ad Valorem taxes were slightly more than prior years. Expenditures required adjustments in Public Safety as the Coroners expenses were more than anticipated; Administrative cost exceeded budgets regarding employee health insurance, but decreased in Workers Compensation expense; Culture and Recreation as well as Public Safety subsections received and expensed grants that were unexpected at the beginning of the year.

ROAD AND BRIDGE - This fund received and expensed grant monies not anticipated to be received at the beginning of the year. Due to an increased labor force, matching retirement was increased and a purchase of gravel was made at year-end to repair parish roads in disrepair due to weather.

DRAINAGE MAINTENANCE - Expenditures in this fund were adjusted due to the increasing cost of steel, thus affecting the cost of culverts. Parts and Repairs were adjusted due to unexpected maintenance to drainage equipment. There was also an unexpected purchase of equipment.

PARISH EQUIPMENT - Fuel was amended due to increasing cost and an unexpected purchase of a piece of equipment was made.

SALES TAX - This fund was amended due to rising costs of garbage carts. The expected amount of carts to be replaced based on prior years has been much higher. Many more carts are now in their 10th year of use and break easily and must be replaced.

Capital Asset and Debt Administration

Capital Assets. The Franklin Parish Police Jury's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$20,281,415 (net accumulated depreciation). This investment includes land, buildings and improvements, infrastructure roads and bridges, and furniture and equipment. The increase in capital assets for the year was \$1,904,104. Reductions in capital assets for the year ended December 31, 2005 were \$55,900.

Long-Term Debt. The Franklin Parish Police Jury had long-term debt at 12/31/05 relating to compensated absences. That total is \$ 73,871.

Economic Factors and Next Year's Budgets

The police jury's financial plan for this upcoming year is underway. The General Fund plans to make transfers to accommodate for any deficit balances that may occur in any of the special revenue funds.

Due to the increasing costs in the Public Works Funds relating to gas, culverts, and matching retirement, the police jury has contracted only emergency and necessary outside labor for the 2005 budget year.

Requests for Information

This financial report is designed to be a summary of the Franklin Parish Police Jury's finances. If there are any questions regarding any information, a request can be made in writing to the Franklin Parish Police Jury, at 6558 Main Street, Winnsboro, Louisiana 71295. Our telephone number is (318) 435-9429.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

Independent Auditor's Report

Franklin Parish Police Jury
Winnsboro, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Parish Police Jury as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements of the parish's primary government as listed in the table of contents. These financial statements are the responsibility of Franklin Parish Police Jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The financial statements referred to above include only the primary government of Franklin Parish which consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the police jury's legal entity. The financial statements do not include financial data of the police jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the parish's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Franklin Parish as of December 31, 2005, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, major funds, and the aggregate remaining fund information for the primary government of Franklin Parish Police Jury as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Franklin Parish Police Jury
Winnsboro, Louisiana
Independent Auditor's Report,
December 31, 2005

Management's discussion and analysis on pages 4 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Franklin Parish Police Jury's basic financial statements. The budgetary comparison schedules on pages 33 through 37, which is supplementary information required by the Governmental Accounting Standards Board and the other supplementary information schedules on pages 41 through 46 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Those schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are presented fairly in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated March 31, 2006, on my consideration of the Franklin Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in black ink, appearing to read 'M. J. Linley', is written over a horizontal line.

West Monroe, Louisiana
March 31, 2006

Basic Financial Statements

Statement A

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Activities
Statement of Net Assets
December 31, 2005

Assets

Cash and cash equivalents	\$3,270,166
Receivables	2,275,122
Capital assets (net)	<u>20,281,415</u>
Total Assets	<u><u>\$25,826,703</u></u>

Liabilities

Accounts payable	\$425,928
Salaries payable	30,335
Payroll withholding payable	60,260
Compensated absences payable	73,871
Due to others	10,000
Deferred revenues:	
Protest taxes	240,262
Federal grant	<u>11,213</u>
Total Liabilities	<u><u>\$851,869</u></u>

Net Assets

Invested in capital assets, net of related debt	\$20,281,415
Unrestricted	<u>4,693,419</u>
Total Net Assets	<u><u>\$24,974,834</u></u>

See accompanying notes to basic financial statements.

Statement B

Franklin Parish Police Jury
Winnsboro, Louisiana
Statement of Activities
For the Year Ended December 31, 2005

Functions:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$870,877	\$212,652			(\$658,225)
Public safety	271,677			\$163,522	(108,155)
Public works	4,789,892		\$212,110	842,239	(3,735,543)
Health and welfare	404,273		41,354		(362,919)
Culture and recreation	21,053				(21,053)
Economic development and assistance	3,582,026		3,552,873	286,155	257,002
Intergovernmental	114,025				(114,025)
Total governmental activities	<u>\$10,053,823</u>	<u>\$212,652</u>	<u>\$3,806,337</u>	<u>\$1,291,916</u>	<u>(4,742,918)</u>
General revenues:					
Taxes:					
Ad valorem taxes					1,655,209
Sales taxes					2,954,713
State revenue sharing					157,642
Fire insurance rebate					18,490
Other taxes, penalties, and interest					16,714
Grants and contributions not restricted to specific programs					153,456
Licenses and permits					87,832
Unrestricted investment earnings					51,127
Gain on sale of assets					11,676
Other					104,983
Total general revenues					<u>5,211,842</u>
Change in net assets					468,924
Net assets at beginning of year					<u>24,505,910</u>
Net assets at end of year					<u>\$24,974,834</u>

See accompanying notes to basic financial statements.

Statement C

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Balance Sheet
December 31, 2005

	Road and Bridge		Drainage Maintenance	Parish Equipment		Road Equip and Salary Adj		Sales Tax	Community Dev Block Grant	Other Governmental Funds		Total Governmental Funds
	General											
Assets												
Cash and equivalents	\$273,475	\$885,494	\$104,767	\$276,074	\$337,831	\$549,573				\$842,952		\$3,270,166
Receivables	216,127	212,468	535,540	387,531	207,137	79,517			\$156,232	480,570		2,275,122
Due from other funds	56,285											56,285
Total Assets	<u>\$545,887</u>	<u>\$1,097,962</u>	<u>\$640,307</u>	<u>\$663,605</u>	<u>\$544,968</u>	<u>\$629,090</u>			<u>\$156,232</u>	<u>\$1,323,522</u>		<u>\$5,601,573</u>
Liabilities and Fund Balances												
Liabilities:												
Accounts payable	\$35,645	\$41,945	\$19,462	\$16,745	\$10,319	\$74,003			\$156,232	\$71,577		\$425,928
Salaries payable	4,008	11,636	8,822							5,869		30,335
Due to other funds			18,549	13,489	7,210					17,037		56,285
Due to others		10,000										10,000
Payroll deducts payable	60,260											60,260
Deferred revenues:												
Protest taxes	18,270		64,465	47,212	24,339					85,976		240,262
Grant	11,213											11,213
Total Liabilities	<u>129,396</u>	<u>63,581</u>	<u>111,298</u>	<u>77,446</u>	<u>41,868</u>	<u>74,003</u>			<u>156,232</u>	<u>180,459</u>		<u>834,283</u>
Fund balances- unreserved - undesignated	<u>416,491</u>	<u>1,034,381</u>	<u>529,009</u>	<u>586,159</u>	<u>503,100</u>	<u>555,087</u>				<u>1,143,063</u>		<u>4,767,290</u>
Total Liabilities and Fund Balances	<u>\$545,887</u>	<u>\$1,097,962</u>	<u>\$640,307</u>	<u>\$663,605</u>	<u>\$544,968</u>	<u>\$629,090</u>			<u>\$156,232</u>	<u>\$1,323,522</u>		<u>\$5,601,573</u>

See accompanying notes to basic financial statements.

**Franklin Parish Police Jury
Winnsboro, Louisiana
Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Assets
December 31, 2005**

Total fund balance - governmental funds (Statement C)	\$4,767,290
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources	20,281,415
Long term liabilities - Compensated absences payable	<u>(73,871)</u>
Net assets of governmental activities (Statement A)	<u><u>\$24,974,834</u></u>

See accompanying notes to basic financial statements.

Statement D

Franklin Parish Police Jury
Winnsboro, Louisiana
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2005

	General	Road and Bridge	Drainage Maint	Parish Equipment	Road Equip and Salary Adj	Sales Tax	Community Development Block Grant	Workforce Investment Act	Other Governmental Funds	Total Governmental Funds
REVENUES										
Taxes:										
Ad valorem	\$138,943		\$508,402	\$369,705	\$197,609	\$974,008			\$440,550	\$1,655,209
Sales		\$1,948,007							32,698	2,954,713
Other taxes, penalties, and interest	16,714									16,714
Licenses and permits	87,832									87,832
Intergovernmental revenues:										
Federal funds	175,101						\$748,660	\$3,541,693	41,354	4,506,808
State funds:										
Severance taxes	153,456									153,456
Fire insurance rebate									18,490	18,490
State revenue sharing	15,280		51,342	37,336	19,956				33,728	157,642
Parish transportation		212,110								212,110
Rural development grants	286,155	10,404								296,559
Local		33,600								33,600
Other	545	83,175								83,720
Fees, charges, and commissions for services	77,522					7,762			5,730	91,014
Fines and forfeitures									144,678	144,678
Use of money and property	6,885	12,775	3,042	3,720	5,215	5,980			13,510	51,127
Other	3,410	13,338				1,064			17,642	35,454
Total revenues	961,843	2,313,409	562,786	410,761	222,780	988,814	748,660	3,541,693	748,380	10,499,126

EXPENDITURES

Current:

General government:										
Legislative	76,877								174,083	76,877
Judicial	62,491									236,574
Elections	14,826									14,826
Finance and administrative	198,037									198,037
Other general government							10,600		240,414	251,014

Franklin Parish Police Jury
Winnsboro, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2005

Net change in fund balances - total governmental funds (Statement D)	(\$149,651)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$1,671,486) exceeded depreciation (\$1,030,955) in the current period.	640,531
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(12,075)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>(9,881)</u>
Change in net assets of governmental activities (Statement B)	<u>\$468,924</u>

See accompanying notes to basic financial statements.

Notes to the Financial Statements

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2005

Introduction

The Franklin Parish Police Jury is the governing authority for Franklin Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January, 2008.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the police jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity for Franklin Parish consist of the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

- a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Franklin Parish:		
Library	December 31	1 & 3
Tourist Commission	December 31	1 & 3
Assessor	December 31	2 & 3
Clerk of Court	June 30	2 & 3
Sheriff	June 30	2 & 3
Communications District	December 31	1 & 3
Hospital Service District No. 1	December 31	1 & 3
Sewerage District No. 1	June 30	1 & 3
Sewerage District No. 2	December 31	1 & 3
Fire District No. 2	December 31	1 & 3
Fire District No. 3	December 31	1 & 3
Fire District No. 4	December 31	1 & 3
Fire District No. 5	December 31	1 & 3
Fifth Judicial District Criminal Court	December 31	3
Crowville Fire District	December 31	1 & 3
South Franklin Recreation District	December 31	1 & 3

Considered in the determination of component units of the reporting entity were the Franklin Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Franklin Parish Police Jury reporting entity because they have

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

separately elected governing bodies, are legally separate, and are fiscally independent of the Franklin Parish Police Jury.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the Franklin Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

These primary government (police jury) financial statements include all funds and organizations for which the police jury maintains the accounting records. Organizations for which the police jury maintains the accounting records include the Fifth Judicial District Criminal Court, Fire District No. 2, Fire District No. 3, Fire District No. 4, and the Franklin Parish Tourist Commission.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and, where applicable, proprietary and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and, where applicable, major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund financial statements, where applicable. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, state revenue sharing, and federal and state grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the police jury.

The police jury reports the following major governmental funds:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund

The Road and Bridge Fund accounts for the construction, repair, and maintenance of roads and bridges on a parish wide basis. Financing is provided by ad valorem taxes, state revenue sharing, Parish Transportation Act funds, and operating transfers from the General Fund.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

The Drainage Maintenance Fund accounts for maintenance of storm drainage systems and watershed programs in the parish. Financing is provided by ad valorem taxes.

The Parish Equipment Fund accounts for acquisition and maintenance of police jury equipment. Financing is provided by a parishwide ad valorem tax.

The Road Equipment and Salary Adjustment Fund accounts for purchases of equipment and annual compensation of employees of the parish. Financing is provided by ad valorem taxes, and state revenue sharing funds.

The Sales Tax Fund accounts for the payments made for the garbage pick-up in Franklin Parish. Financing is provided by a one-half cent sales tax paid on purchases made in Franklin Parish.

The Workforce Investment Act (WIA) Fund accounts for grants from the United States Department of Labor passed through the Louisiana Department of Labor. Grants are subsequently transferred to the Franklin Parish Community Action Association, Incorporated, which administers the program under contract with the police jury. The WIA program provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment.

The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities such as fire stations and equipment and water wells and distribution lines. Funding is provided by community development block grants from the U.S. Department of Housing and Urban Development through the Louisiana Office of the Governor - Division of Administration.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The police jury has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the police jury's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the police jury's investment policy allow the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Investments for the police jury are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources

All property tax receivables are shown net of an allowance for uncollectibles. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15th. Ad valorem taxes become delinquent if not paid by December 31st. The taxes are normally collected in December of the current year and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
General:			
Outside municipalities	3.29	3.56	Indefinite
Inside municipalities	1.64	1.78	Indefinite
Equipment	8.12	7.97	2007
Health Unit	3.00	3.21	2010
Drainage maintenance	11.17	10.96	2007
Road equipment and salary adjustment	4.26	4.26	2008
Courthouse maintenance	4.07	3.99	2007
Fire district 2	10.00	10.42	2010
Fire district 3	10.00	10.28	2007
Fire district 4	10.00	10.07	2010

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2005 assessed valuation (amounts expressed in thousands):

	<u>2005 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Entergy Louisiana, Inc.	\$2,177,200	2.93%
Bellsouth Telecommunications, Inc.	1,542,480	2.08%
Northeast Louisiana Power Coop	1,352,040	1.82%
Tennessee Gas Pipeline Co.	1,313,560	1.77%
Columbia Gulf Transmission Co.	1,303,170	1.75%
Winnsboro State Bank	1,214,675	1.63%
Progressive State Bank	1,145,195	1.54%
Franklin State Bank & Trust Co..	1,129,570	1.52%
ANR Pipeline Company	1,050,090	1.41%
Wal-Mart Louisiana, L.L.C.	1,050,060	1.41%
Total	<u>\$13,278,040</u>	<u>17.86%</u>

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Approximately 92% of the police jury's non-infrastructure assets are based on actual costs while the remaining 8% are based on the actual historical costs of like items. The cost of infrastructure assets (roads and bridges) acquired prior to 2005 are based on current replacement cost adjusted to their year of acceptance into the parish road system using the U.S. Department of Labor's producer price index. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend their useful lives are not capitalized.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Infrastructure roads and bridges	20 - 40 Years
Buildings and building improvements	10 - 40 Years
Furniture and fixtures	5 - 10 Years
Vehicles	5 - 10 Years
Heavy equipment	5 - 10 Years
Other equipment	5 - 10 Years

F. Annual and Sick Leave

After one year of service, employees of the police jury are granted from 5 to 20 days of annual leave each year, depending upon length of service. Upon resignation or retirement an employee will be compensated for annual leave accumulated to the date of separation, not to exceed 90 days. Any days over 90 will be credited to their retirement. Employees are granted one day of sick leave for each month of continuous employment and can accumulate up to 90 days sick leave. Employees are not compensated for accumulated sick leave upon separation of service.

Criminal court employees earn from 5 to 10 days of annual leave each year. Sick leave is granted to employees on an as needed basis. Neither annual leave nor sick leave may be accumulated. Employees are not paid for unused annual and sick leave upon separation of service.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

The Franklin Parish Tourist Commission has no employees and, therefore, no annual and sick leave policies.

At December 31, 2005, employees of the police jury had accumulated and vested \$73,871 of employee leave benefits, computed in accordance with GASB Codification C60. The liability is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current year expenditure within the various funds when leave is actually taken or when employees are paid for accrued annual leave upon resignation or retirement, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

G. Sales Taxes

On January 19, 2002, voters of the parish approved the renewal of a one-half of one per cent sales and use tax which is dedicated for the purpose of solid waste collection and disposal. The renewal tax is for a period of five years beginning December 1, 2003, and ending November 30, 2008. On January 19, 2002, voters of the parish approved the renewal of a one per cent sales and use tax which is dedicated for the construction, operation, and maintenance of roads and bridges within the parish. The renewal tax is for a period of ten years beginning July 1, 2003, and ending June 30, 2013. The police jury entered into an agreement with the Franklin Parish School Board whereby the school board provides collection services for a pro rata fee of the total based on taxes collected by the school board.

On March 5, 1985, as provided by Louisiana Revised Statute 33:4574, the police jury levied a two per cent tax on the occupancy of all hotel/motel rooms in the parish. Proceeds of the tax are used by the Franklin Parish Tourist Commission for the purpose of promoting tourism in the parish. The Franklin Parish School Board collects and remits the taxes, net of collection costs, to the police jury.

2. CASH AND EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2005, the police jury has cash, net of overdrafts, (book balances), in total of \$3,270,166.

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2005, are secured in total as follows:

Bank Balances	<u>\$3,296,527</u>
Federal deposit insurance	\$100,000
Pledged securities (uncollateralized)	<u>4,491,841</u>
Total	<u>\$4,591,841</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the police jury, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the police jury's name.

3. RECEIVABLES

The receivables of \$2,275,122 at December 31, 2005, are as follows:

	General Fund	Special Revenue Funds	Capital Projects Funds	Total
Taxes:				
Ad valorem	\$127,314	\$1,447,813		\$1,575,127
Sales		238,551		238,551
Alcoholic Beverage	4,258			4,258
Federal grants	16,845		\$156,232	173,077
State grants	52,052	189,552		241,604
Accounts and other	15,658	26,847		42,505
Total	<u>\$216,127</u>	<u>\$1,902,763</u>	<u>\$156,232</u>	<u>\$2,275,122</u>

4. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended 12/31/05 is as follows:

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

	Balance January 1,	Additions	Deletions	Balance December 31,
Police Jury:				
Capital assets not being depreciated:				
Land	\$308,136			\$308,136
Construction in Progress	232,618	\$1,097,351	(\$1,329,969)	NONE
Total capital assets not being depreciated	540,754	1,097,351	(1,329,969)	308,136
Capital assets being depreciated:				
Infrastructure - roads	\$82,547,555	\$404,841		\$82,952,396
Infrastructure - bridges	2,354,699			2,354,699
Buildings and improvements	4,765,535			4,765,535
Improvements other than buildings	698,515	1,329,969		2,028,484
Office furniture and equipment	60,421	2,942		63,363
Heavy equipment	918,782	105,545	(55,900)	968,427
Other equipment	510,823	15,027		525,850
Vehicles	1,052,315	45,780		1,098,095
Total capital assets being depreciated	92,908,645	1,904,104	(55,900)	94,756,849
Less accumulated depreciation for:				
Infrastructure - roads	(68,145,386)	(654,042)		(68,799,428)
Infrastructure - bridges	(1,230,302)	(48,278)		(1,278,580)
Buildings and improvements	(2,275,914)	(120,542)		(2,396,456)
Improvements other than buildings	(698,515)	(22,046)		(720,561)
Office furniture and equipment	(46,227)	(379)		(46,606)
Heavy equipment	(509,396)	(79,402)	43,825	(544,973)
Other equipment	(318,874)	(41,401)		(360,275)
Vehicles	(571,826)	(64,865)		(636,691)
Total accumulated depreciation	(73,796,440)	(1,030,955)	43,825	(74,783,570)
Total capital assets being depreciated (net)	\$19,112,205	\$873,149	(\$12,075)	\$19,973,279
Total capital assets (net)	\$19,652,959	\$1,970,500	(\$1,342,044)	\$20,281,415

The beginning balances for infrastructure have been restated due to a calculation error in prior year. Additions do not agree to capital outlay by \$232,618, which is prior year construction in progress.

Depreciation expense as of and for the year ended 12/31/05 was charged as follows:

	Amount
General government	\$92,823
Public safety	78,194
Public works (including depreciation on road infrastructure)	859,749
Health and welfare	189
Total	<u>\$1,030,955</u>

5. PENSION PLAN

Substantially all employees of the Franklin Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Franklin Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Franklin Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Franklin Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2005, 2004, and 2003, were \$126,771, \$115,982, and \$80,947, respectively, equal to the required contributions for each year.

6. POST RETIREMENT GROUP INSURANCE BENEFITS

The Franklin Parish Police Jury provides certain continuing health care benefits for its retired employees who have been employed for 30 years or longer. The police jury recognizes the cost of providing these benefits

Franklin Parish Police Jury
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

(police jury's portion of premiums) as an expenditure when paid during the year, of that amount, \$4,503, was for retiree benefits. Additionally, the police jury has made available certain continuing health care and life insurance benefits provided through an insurance company to all other employees that reach normal retirement age. Retirees participating in the program are required to pay 100 per cent of the monthly premium.

7. DUE FROM/TO OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2005.

Fund	Due From	Due To
General	\$56,285	
Special Revenue:		
Health Unit		5,607
Drainage Maintenance		18,549
Road Equipment and Salary Adjustment		7,210
Parish Equipment		13,489
Courthouse Maintenance		6,753
Fire District No. 2		2,030
Fire District No. 3		865
Fire District No. 4		1,782
Total	<u>\$56,285</u>	<u>\$56,285</u>

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2005:

	Compensated Absences
Long-term obligations at January 1 ST	\$63,990
Additions	33,600
Deductions	(29,524)
Adjustments ¹	5,805
Long-term obligations at December 31 ST	<u>\$73,871</u>

¹As discussed in note 1G, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay and to reflect the maximum accumulation of ninety days.

9. RISK MANAGEMENT

The police jury is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; liability; and injuries to employees and others. To handle risk of loss, the police jury maintains commercial insurance covering; automobile liability; general liability; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

10. WORKFORCE INVESTMENT ACT PROGRAM

The Workforce Investment Act Fund (WIA) accounts for federally funded job assistance programs designed to develop job skills for economically disadvantaged parishes of Richland, Franklin, Tensas, Madison, East Carroll, Caldwell, and Jackson. Funding is provided by the United States Department of Labor through the Louisiana Department of Labor. Funds are subsequently transferred to the administrative entity (subrecipient) for actual operation of the program.

11. LITIGATION AND CLAIMS

At December 31, 2005, the police jury is involved in several lawsuits. Although the total amount of potential liability cannot be determined at this time, any damages awarded would be covered under the police jury's insurance. In the event there is an unfavorable outcome, the police jury's maximum loss would be limited to the insurance deductible amount. No provision for the potential liability has been made in the accompanying financial statements.

12. RESTATEMENT OF NET ASSETS

The December 31, 2004 net asset balance has been restated to correct for a calculation error on infrastructure assets and depreciation in prior year.

Required Supplemental Information (Part II)

**Franklin Parish Police Jury
Winnsboro, Louisiana**

**Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2005**

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to November of each year. During November, the finance committee reviews the proposed budgets and makes changes as they deem appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the police jury holds a public hearing on the proposed budget in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the police jury's regular December meeting, and a notice is published in the official journal.

During the year, the police jury receives monthly budget comparison statements which are used as a tool to control the operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in his judgement, actual operations are differing materially from those anticipated in the original budget. The jury, during a regular meeting, reviews the proposed amendments, makes changes as they feel necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the function level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

For the year ended December 31, 2005, modified accrual based budgets were adopted for the General Fund and all special revenue funds. Budgetary comparison schedules include the original budgets and all subsequent amendments.

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
General Fund and Road Equipment and Salary Adjustment Fund
For the Year Ended December 31, 2005

	General Fund			Road Equipment and Salary Adjustment Fund		
	Budgeted Amounts		Variance With Final Budget Positive (Negative)	Budgeted Amounts		Variance With Final Budget Positive (Negative)
	Original	Final		Original	Final	
Revenues						
Taxes:						
Ad Valorem	\$150,000	\$100,000	\$138,943	\$200,000	\$197,609	(\$2,391)
Other taxes, penalties, & interest	9,000	12,200	16,714			4,514
Licenses and permits	80,000	85,000	87,832			2,832
Intergovernmental revenues:						
Federal funds	21,000	129,000	175,101			46,101
State funds:						
Severance taxes	180,000	180,000	153,456			(26,544)
State revenue sharing (net)	12,000	16,000	15,280	15,000	20,500	(544)
Rural development	80,000	355,000	286,155			(68,845)
Local funds						
Other	550	550	545			(5)
Fees, charges, and commissions for services	23,000	22,200	77,522			55,322
Use of money and property	4,000	5,500	6,885	3,200	2,800	2,415
Other revenue	62,550	61,500	3,410			(58,090)
Total revenues	622,100	966,950	961,843	218,200	222,780	(520)
Expenditures						
Current:						
General government:						
Legislative	79,600	126,750	76,877			49,873
Judicial	53,230	60,665	62,491			(1,826)
Elections	22,900	14,400	14,826			(426)
Finance and administrative	212,100	221,250	198,037			23,213
Public safety	118,830	159,095	76,617			82,478
Public works				221,500	222,500	186,135
Health and welfare	76,520	26,120	129,666			(103,546)
Culture and recreation	21,850	21,718	21,053			665
Economic development and assistance	54,500	24,350	5,842			18,508

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Road and Bridge and Sales Tax Funds
For the Year Ended December 31, 2005

	Road and Bridge			Sales Tax		
	Budgeted Amounts		Variance With Final Budget Positive (Negative)	Budgeted Amounts		Variance With Final Budget Positive (Negative)
	Original	Final		Original	Final	
Revenues						
Taxes - Sales	\$2,000,000	\$1,700,000	\$1,948,007	\$950,000	\$950,000	\$24,008
Intergovernmental revenues -						
State funds:						
Parish transportation	220,000	180,000	212,110			
Rural development grants			32,110			
Local		33,600	10,404			
Other		83,000	33,600			
			83,175			175
Fees, charges, and commissions for services				6,000	6,000	1,762
Use of money and property	8,200	11,150	12,775	3,800	5,150	830
Other	2,400	1,100	13,338		1,900	(836)
Total revenues	2,230,600	2,008,850	2,313,409	959,800	963,050	25,764
Expenditures						
Current						
Public works	1,666,300	1,928,400	1,861,206	928,200	867,765	9,978
Capital outlay	450,000	500,000	428,829			
Total expenditures	2,116,300	2,428,400	2,290,035	928,200	867,765	9,978
Excess (Deficiency) of Revenues over Expenditures	114,300	(419,550)	23,374	31,600	95,285	35,742
Other Financing Source						
Proceeds from sale of property		1,000	2,821			
Net Change In Fund Balances	114,300	(418,550)	26,195	31,600	95,285	35,742
Fund Balance - Beginning	829,383	829,383	1,008,186	476,742	476,742	(52,682)
Fund Balance - Ending	\$943,683	\$410,833	\$1,034,381	\$508,342	\$572,027	(\$16,940)

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Drainage Maintenance and Parish Equipment Funds
For the Year Ended December 31, 2005

	Drainage Maintenance			Parish Equipment		
	Budgeted Amounts Original	Final	Actual	Budgeted Amounts Original	Final	Actual
Revenues						
Taxes - Ad valorem	\$550,000	\$490,000	\$508,402	\$375,000	\$375,000	\$369,705
Intergovernmental revenues -						
State - State revenue sharing (net)	36,000	55,000	51,342	27,000	40,000	37,336
Use of money and property	3,500	4,150	3,042	3,600		3,720
Total revenues	589,500	549,150	562,786	405,600	415,000	410,761
Expenditures						
Current - Public works	582,800	659,100	660,076	402,020	399,960	355,820
Capital outlay					65,000	83,990
Total expenditures	582,800	659,100	660,076	402,020	464,960	439,810
Excess (Deficiency) of Revenues over Expenditures	6,700	(109,950)	(97,290)	3,580	(49,960)	(29,049)
Other Financing Sources (use)						
Operating transfers in		22,000				
Proceeds from insurance						3,500
Proceeds from sale of property				1,000		20,930
Operating transfers out		(21,650)				
Total other financing sources (use)		350		1,000		24,430
Net Change In Fund Balances	6,700	(109,600)	(97,290)	4,580	(49,960)	(4,619)
Fund Balance - Beginning	244,032	110,558	626,299	99,548	99,548	590,778
Fund Balance - Ending	\$250,732	\$958	\$529,009	\$104,128	\$49,588	\$586,159
						\$536,571

(Continued)

Franklin Parish Police Jury
Winnsboro, Louisiana
Budgetary Comparison Schedule
Community Development Block Grant and Workforce Investment Act Funds
For the Year Ended December 31, 2005

	Community Development Block Grant			Workforce Investment Act		
	Variance With			Variance With		
	Budget	Actual	Positive (Negative)	Budget	Actual	Positive (Negative)
Revenues						
Intergovernmental revenues -						
Federal funds	\$748,660	\$748,660		\$3,541,693	\$3,541,693	
Expenditures						
Current						
Other general government	10,600	10,600				
Economic development and assistance				3,541,693	3,541,693	
Capital outlay	738,060	738,060				
Total expenditures	748,660	748,660		3,541,693	3,541,693	NONE
Net Change In						
Fund Balance	NONE	NONE	NONE	NONE	NONE	NONE
Fund Balance - Beginning	NONE	NONE	NONE	NONE	NONE	NONE
Fund Balance - Ending	NONE	NONE	NONE	NONE	NONE	NONE

(Concluded)

Other Supplemental Schedules

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2005

SPECIAL REVENUE FUNDS

MAINTENANCE FUNDS

Courthouse Maintenance Fund

The Courthouse Maintenance Fund accounts for maintenance of the courthouse building, equipment, and grounds. Financing is provided by a parishwide ad valorem tax and state revenue sharing funds.

Health Unit Maintenance Fund

The Health Unit Maintenance Fund accounts for maintenance of the parish health unit and the local share of the health unit operation. Financing is provided by ad valorem taxes and state revenue sharing funds.

SECTION 8 HOUSING FUND

The Section 8 Housing Fund provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards the rent.

Assisted families are required to contribute up to 30 per cent of their adjusted family income towards rent. Funding is provided through the United States Department of Housing and Urban Development.

WITNESS FEE FUND

The Witness Fee Fund was established to pay off-duty law enforcement officers. Financing is provided by fines paid by defendants who are found guilty.

CRIMINAL COURT FUND

The Criminal Court Fund accounts for all criminal court expenses. Financing is provided by criminal costs and fines.

TOURIST COMMISSION FUND

The Tourist Commission Fund accounts for the promotion of tourism within Franklin Parish. Financing is provided by a two per cent hotel/motel sales tax.

UNEMPLOYMENT ESCROW

The Unemployment Escrow Fund accounts for the jury's self-insurance program. Funds are provided by transfers from other funds.

FIRE DISTRICT NO. 2

The Fire District Fund No. 2 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

FIRE DISTRICT NO. 3

The Fire District Fund No. 3 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

FIRE DISTRICT NO. 4

The Fire District Fund No. 4 accounts for operations of the fire district. Financing is provided by ad valorem taxes.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS

Combining Balance Sheet, December 31, 2005

	MAINTENANCE FUNDS	SECTION 8	WITNESS FEE	CRIMINAL COURT	TOURIST COMM	UNEMP ESCROW	FIRE DISTRICTS	TOTAL
ASSETS								
Cash and cash equivalents	\$514,315	\$8,087	\$2,798	\$574	\$65,746	\$47,190	\$204,242	\$842,952
Receivables	350,359		85	4,355	13,271		112,500	480,570
TOTAL ASSETS	\$864,674	\$8,087	\$2,883	\$4,929	\$79,017	\$47,190	\$316,742	\$1,323,522
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$58,580		\$100	\$3,451		\$606	\$8,840	\$71,577
Salaries payable	3,549			2,320				5,869
Due to other funds	12,360						4,677	17,037
Deferred revenue - protest taxes	42,045						43,931	85,976
Total liabilities	116,534	NONE	100	5,771	NONE	606	57,448	180,459
Fund Equity - fund balances								
- unreserved - undesignated	748,140	\$8,087	2,783	(842)	\$79,017	46,584	259,294	1,143,063
TOTAL LIABILITIES AND FUND EQUITY	\$864,674	\$8,087	\$2,883	\$4,929	\$79,017	\$47,190	\$316,742	\$1,323,522

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2005**

	MAINTENANCE FUNDS	SECTION 8	WITNESS FEE	CRIMINAL COURT	TOURIST COMM	UNEMP ESCROW	FIRE DISTRICTS	TOTAL
REVENUES								
Taxes:								
Ad valorem	\$333,986						\$106,564	\$440,550
Sales					\$32,698			32,698
Intergovernmental:								
Federal funds - grants		\$41,354						41,354
State funds:								
Fire insurance rebate							18,490	18,490
State revenue sharing (net)	33,728							33,728
Fees, charges, and commissions for services			\$5,730					5,730
Fines and forfeitures				\$144,678				144,678
Use of money and property	9,567	88	23	144	804	\$777	2,107	13,510
Other revenues	44	397			17,201			17,642
Total revenues	377,325	41,839	5,753	144,822	50,703	777	127,161	748,380
EXPENDITURES								
Current:								
General government								
Judicial			4,950	166,747		2,386		174,083
Other general government	240,414							240,414
Public safety							116,866	116,866
Health and welfare	228,638	45,744						274,382
Economic development and assistance					34,491			34,491
Capital outlay							2,942	2,942
Total expenditures	469,052	45,744	4,950	166,747	34,491	2,386	119,808	843,178
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(91,727)	(3,905)	803	(21,925)	16,212	(1,609)	7,353	(94,798)

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS - MAINTENANCE FUNDS

Combining Balance Sheet, December 31, 2005

	<u>COURTHOUSE</u>	<u>HEALTH UNIT</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$244,380	\$269,935	\$514,315
Receivables	<u>194,277</u>	<u>156,082</u>	<u>350,359</u>
TOTAL ASSETS	<u><u>\$438,657</u></u>	<u><u>\$426,017</u></u>	<u><u>\$864,674</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$16,029	\$42,551	\$58,580
Salaries payable	711	2,838	3,549
Due to other funds	6,753	5,607	12,360
Deferred revenue - protest taxes	<u>23,368</u>	<u>18,677</u>	<u>42,045</u>
Total liabilities	<u>46,861</u>	<u>69,673</u>	<u>116,534</u>
Fund Equity - fund balances - unreserved -undesignated	<u>391,796</u>	<u>356,344</u>	<u>748,140</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$438,657</u></u>	<u><u>\$426,017</u></u>	<u><u>\$864,674</u></u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS - MAINTENANCE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2005

	<u>COURTHOUSE</u>	<u>HEALTH UNIT</u>	<u>TOTAL</u>
REVENUES			
Taxes - Ad valorem	\$185,084	\$148,902	\$333,986
State funds - state revenue sharing	18,691	15,037	33,728
Use of money and property	4,579	4,988	9,567
Other	44		44
Total revenues	<u>208,398</u>	<u>168,927</u>	<u>377,325</u>
EXPENDITURES			
Current - general government	240,414		240,414
Health and welfare		228,638	228,638
Total expenditures	<u>240,414</u>	<u>228,638</u>	<u>469,052</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(32,016)</u>	<u>(59,711)</u>	<u>(91,727)</u>
OTHER FINANCING USE			
Operating transfers out		(40,000)	(40,000)
NET CHANGE IN FUND BALANCE	(32,016)	(99,711)	(131,727)
FUND BALANCES AT BEGINNING OF YEAR	<u>423,812</u>	<u>456,055</u>	<u>879,867</u>
FUND BALANCES AT END OF YEAR	<u>\$391,796</u>	<u>\$356,344</u>	<u>\$748,140</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS - FIRE DISTRICT FUNDS

Combining Balance Sheet, December 31, 2005

	<u>FIRE DISTRICT 2</u>	<u>FIRE DISTRICT 3</u>	<u>FIRE DISTRICT 4</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$61,324	\$55,122	\$87,796	\$204,242
Receivables	<u>50,111</u>	<u>20,353</u>	<u>42,036</u>	<u>112,500</u>
TOTAL ASSETS	<u>\$111,435</u>	<u>\$75,475</u>	<u>\$129,832</u>	<u>\$316,742</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$3,036	\$1,139	\$4,665	\$8,840
Due to other funds	2,030	865	1,782	4,677
Deferred revenue - protest taxes	<u>31,153</u>	<u>11,560</u>	<u>1,218</u>	<u>43,931</u>
Total liabilities	<u>36,219</u>	<u>13,564</u>	<u>7,665</u>	<u>57,448</u>
Fund Equity - fund balances -unreserved -undesignated	<u>75,216</u>	<u>61,911</u>	<u>122,167</u>	<u>259,294</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$111,435</u>	<u>\$75,475</u>	<u>\$129,832</u>	<u>\$316,742</u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana
OTHER GOVERNMENTAL FUNDS - FIRE DISTRICT FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2005

	<u>FIRE DISTRICT 2</u>	<u>FIRE DISTRICT 3</u>	<u>FIRE DISTRICT 4</u>	<u>TOTAL</u>
REVENUES				
Taxes - Ad valorem	\$41,031	\$17,109	\$48,424	\$106,564
State funds - fire insurance rebate	8,120	3,429	6,941	18,490
Use of money and property	684	500	923	2,107
Total revenues	<u>49,835</u>	<u>21,038</u>	<u>56,288</u>	<u>127,161</u>
EXPENDITURES				
Current - public safety	69,084	14,966	32,816	116,866
Capital outlay	2,942			2,942
Total expenditures	<u>72,026</u>	<u>14,966</u>	<u>32,816</u>	<u>119,808</u>
NET CHANGE IN FUND BALANCE	<u>(22,191)</u>	<u>6,072</u>	<u>23,472</u>	<u>7,353</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>97,407</u>	<u>55,839</u>	<u>98,695</u>	<u>251,941</u>
FUND BALANCES AT END OF YEAR	<u>\$75,216</u>	<u>\$61,911</u>	<u>\$122,167</u>	<u>\$259,294</u>

FRANKLIN PARISH POLICE JURY
Winnsboro , Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2005

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. The president receives \$900 per month, and the other jurors receive \$750 per month.

Schedule 8**FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana****Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2005**

Ricky Campbell	\$9,000
Troy Hendry	9,000
Harvey Guimbellot (President)	10,800
Jackie R. Johnson	9,000
Leroy Scott	9,000
Buddy Parks	9,000
Ray Young	<u>NONE</u>
Total	<u><u>\$55,800</u></u>

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS- THROUGH GRANT NUMBER	FEDERAL EXPENDITURES
United States Department of Labor			
Passed through Louisiana Department of Labor:			
Workforce Investment Act - Adult Program	17.258	N/A	\$1,012,966
Workforce Investment Act - Youth Activities	17.259	N/A	834,823
Workforce Investment Act - Dislocated Workers	17.260	N/A	<u>1,232,795</u>
Total Department of Labor			3,080,584
United States Department of Housing and Urban Development			
Passed through Department of Social Services, Office of Community Services- HUD/Emergency Shelter Grants Program:	14.231	N/A	2,479
Direct program - Lower-Income Housing Assistance Program	14.156	N/A	41,354
Passed through Office of the Governor, Division of Administration - Community Development Block Grant - PF - Program	14.228	601656	<u>748,660</u>
Total Department of Housing and Urban Development			792,493
United State Department of Health and Human Services			
Passed through Department of Labor - Temporary Assistance for Needy Families	93.558	N/A	136,368
United States Department of Homeland Security			
State Homeland Security Program	97.073	N/A	94,442
Federal Emergency Management Agency			
Passed through Louisiana Office of Emergency Preparedness - Emergency Management Assistance (Civil Defense) Program	83.534	N/A	8,156
United States Department of Interior			
Direct program - Payment in Lieu of Taxes	15.000	N/A	<u>944</u>
Total Federal Financial Assistance			<u><u>\$4,112,987</u></u>

FOOTNOTES:

- (1) The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting.
(2) The Workforce Investment Act Cluster and Technical Assistance for Needy Families are reported for the year ended June 30, 2005.

Other Reports

**Independent Auditor's Reports on Compliance with
Laws, Regulations, Contracts, and Grants,
and Internal Control**

The following independent Auditor's reports on compliance with laws, regulations, contracts, and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *Single Audit Act Amendments of 1996*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Report on Compliance and Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

Franklin Parish Police Jury
Winnsboro, Louisiana

I have audited the basic financial statements of Franklin Parish Police Jury as of and for the year ended December 31, 2005, and have issued my report there on dated March 31, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Franklin Parish Police Jury's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Franklin Parish Police Jury's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Franklin Parish Police Jury
Winnsboro, Louisiana
Independent Auditor's Report on Compliance
and Internal Control Over Financial Reporting, etc.
December 31, 2005

This report is intended for the information of the members of Franklin Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "M. J. S. S. S.", is written over the text "West Monroe, Louisiana".

West Monroe, Louisiana
March 31, 2006

**Report on Compliance With Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133**

Franklin Parish Police Jury
Winnsboro, Louisiana

Compliance

I have audited the compliance of Franklin Parish Police Jury with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2005. Franklin Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Franklin Parish Police Jury's management. My responsibility is to express an opinion on Franklin Parish Police Jury's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Franklin Parish Police Jury's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Franklin Parish Police Jury's compliance with those requirements.

In my opinion, Franklin Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

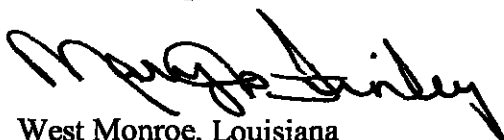
Franklin Parish Police Jury
Winnsboro, Louisiana
Report on Compliance With Requirements
Applicable to Each Major Program and
Internal Control Over Compliance, etc.
December 31, 2005

Internal Control Over Compliance

The management of Franklin Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Franklin Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the members of Franklin Parish Police Jury, management of the police jury, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.



West Monroe, Louisiana
March 31, 2006

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an *unqualified opinion* on the primary government financial statements of the Franklin Parish Police Jury.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of the Franklin Parish Police Jury is reported in the Auditor's Report on Compliance and Internal Control Over Financial Reporting.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Auditor's Report on Compliance With Requirements Applicable to Major Programs and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for the Franklin Parish Police Jury expresses an *unqualified opinion*.
6. No audit findings relative to the major federal award programs for the Franklin Parish Police Jury are reported.
7. The Workforce Investment Act (WIA) Cluster and the Community Block Development Grant were tested as major programs and consisted of the following individual programs:

	<u>CFDA No.</u>
Workforce Investment Act - Adult Program	17.258
Workforce Investment Act - Youth Activities	17.259
Workforce Investment Act - Dislocated Workers	17.260
Community Block Development Grant	14.228

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Franklin Parish Police Jury was determined to be a low-risk auditee.

FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2005

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL
AWARD PROGRAMS AUDIT**

None

**FRANKLIN PARISH POLICE JURY
Winnsboro, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2005**

The audit report for the year ended December 31, 2004 contained no audit findings.